Military and the Mortgage Market

May 9, 2008

2:30 - 4:00

Presenters:

David Gibbons, Marketing Director, Military Programs, Wells Fargo Home Mortgage

Victor Williams, Vice President, Mortgage Lending, Randolph-Brooks Federal Credit Union

Dennis Geist, Vice President, Government Programs, Wells Fargo Home Mortgage

Agenda

- Welcome
- Introductions
- Military Mortgage Demographics
- Current Housing Market
- Military Related Mortgage Programs
- Other Mortgage Assistance Programs
- Resources and Tools
- Q & A

Introductions

Dave Gibbons

Victor Williams

Dennis Geist

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Military Spouse Day

Thank You for your service!!

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Military Mortgage Demographics

- 30+ million Americans
- $2 Trillion annual purchase power
- Over 600,000 mortgage transactions
- Online and e-mail savvy
- First Time Home Buyers
- VA eligible

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Current Housing Market

- Declining values
- Increasing number of Foreclosures
  - Up from ’07
- ARM’s adjusting, payments increasing
  - 1.8 mm consumers with ARM
- Exit of ‘exotic’ loan programs
- Jumbo loan market
- Tougher underwriting
- Rumors of recession??

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Home Buyers and Sellers are cautious…

What programs are still available??

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Military and other Mortgage Programs

- VA
- FHA
- Conventional
  - Home Possible (Freddie Mac)
  - My Community (Fannie Mae)

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VA Mortgage

- Increased loan limits
- Jumbo loans more attractive
- One of few “0” down payment programs
- IRRRL

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Features and Benefits of VA

- Zero or low down payment options
- No PMI
- No minimum credit score (up to $700k)
- Funding fee may be financed (waived in certain cases)
- Up to 4% sales concession allowed
- Attractive rates
- Assumable
- Fixed or Adjustable Rates
- Can be used multiple times

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FHA Loan

- Increased loan limits
- Low down payment options – 3%
- Attractive rates and closing costs
- Not Credit Score Driven
- Available to all consumers
- Fully Assumable Loan
- Up to 6% seller concessions

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Conventional

- Low down payment – 0% w/ PMI
  - Credit score >620
  - Overall Debt-to-Income < 45%
  - Up to $550,000
- Up to 3% sales concessions
- Fixed or adjustable rate options

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Other Conventional Loan Programs

- 80/20 or 80/15/5
- Home Possible (Freddie Mac)
- My Community (Fannie Mae)
- Portfolio lenders

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Mortgage Scenarios

Max Financing Comparisons

$180,000 Sales Price

	100%	100% VA	97% FHA
Rate	6.125%	6.375%	6.375%
PI + PMI	$1,215	$1,146	$1,178
C2C	$5,413	$3,599	$8,946

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Mortgage Scenarios

90% LTV Comparisons

$180,000 Sales Price

	90% LPMI	90% VA	90% FHA
Rate	6.50%	6.00%	6.00%
PI+PMI	$1288	$1247	$1317
C2C	$21,504	$21,505	$21,476

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Mortgage Scenarios

High Balance Comparisons

$700,000 Sales Price

	90%	89.89% VA	97% FHA
Rate	7.125	6.625	6.875
PI + PMI	$4,664	$4,125	$4,819
C2C	$73,328	$73,970	$34,413

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Other Mortgage Assistance Programs

- Bond Programs
  - Texas Vet
  - Cal Vet
  - Oregon
  - Wisconsin
  - Alaska
  - Over 1200 bond programs nationally
- Down Payment Assistance programs

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Servicing

- Servicemembers Credit Relief Act
- VA Regional Loan Centers
- Contact your current lender ASAP!
- Hope Now

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Resources and Tools

- Home Buying Seminars or Webinars
  - Utilize trusted resources with Military expertise and programs
    - Realtors
    - Lenders
    - DAP Programs
- Relocation Fairs
- Home Buying & Educational Materials
  - Guides
  - Websites
    - www.VA.gov
    - www.HUD.gov
    - Military.com
    - www.hopenow.com
- Reference lists for realtors, lenders, inspectors, etc.

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Q & A

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Thank You!